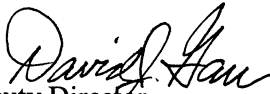


# Memorandum

To: Mr. Timothy W. Boyer  
Interim Executive Director

Date: October 24, 2003

From:   
David J. Gau, Deputy Director  
Property and Special Taxes Department

Subject: **2004 Timberland Production Zone Values**

Section 434.5 of the Revenue and Taxation Code requires that, by November 30 of each year, the Board certify to county assessors the current values of lands zoned for timberland production. Section 434.5 also specifies that the values, which vary according to defined sites within three regions, be determined based on a specified formula.

On the 2004 lien date, land zoned for timberland production shall be valued per acre according to the following schedule. These 2004 values will be mailed to the county assessors after certification by the Board.

Redwood Region		Whitewood Region		Pine-Mixed Confer Region	
Site I	\$272	Site I	\$193	Site I	\$148
Site II	\$221	Site II	\$142	Site II	\$104
Site III	\$193	Site III	\$119	Site III	\$ 82
Site IV	\$168	Site IV	\$ 89	Site IV	\$ 57
Site V	\$ 53	Site V	\$ 47	Site V	\$ 31

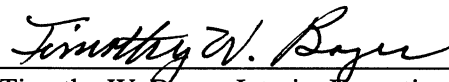
When the assessor, pursuant to Revenue and Taxation Code Section 434, designates a timberland parcel or portion thereof as inoperable, such timberland parcel, or portion thereof, shall be valued as if it is Site V.

The 2004 values have all decreased by \$1 to \$7 per acre due to the decrease in timber values over the past several years. Attached is detailed analysis showing the calculations made to determine these values.

Please place this item on the Board's November 18, 2003 Administrative Consent Calendar for approval.

DJG:ms  
Attachment

cc: Ms. Deborah Pellegrini

Approved:   
Timothy W. Boyer, Interim Executive Director

BOARD APPROVED  
at the \_\_\_\_\_ Board Meeting

\_\_\_\_\_  
Deborah Pellegrini, Chief  
Board Proceedings Division

Item #EE  
Sub-item 7  
11/18/03

**STATE BOARD OF EQUALIZATION  
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES  
FOR LIEN DATE 2004**

**AVERAGE HARVEST VALUE PER M BOARD FEET BY FISCAL YEAR**

<u>Fiscal Year</u>	<u>Volume (M)*</u>	<u>Harvest Value*</u>	<u>Average Per MBF</u>
1997-1998	2,172,924	\$ 770,433,796	\$354.56
1998-1999	2,239,822	\$ 774,664,690	\$345.86
1999-2000	2,179,497	\$ 825,642,326	\$378.82
2000-2001	1,848,645	\$ 845,644,868	\$457.44
2001-2002	1,652,280	\$ 502,457,129	\$304.10
2002-2003	1,632,072	\$ 420,989,485	\$257.95

**CALCULATION OF THE CHANGE TO BE APPLIED TO TPZ SITE VALUES**  
(Revenue and Taxation Code Section 434.5(b))

<u>Fiscal Year</u>	<u>Average Per MBF</u>
1997-1998	\$ 354.56
1998-1999	\$ 345.86
1999-2000	\$ 378.82
2000-2001	\$ 457.44
2001-2002	<u>\$ 304.10</u>
	\$1,840.78 / 5 = \$368.16
1998-1999	\$ 345.86
1999-2000	\$ 378.82
2000-2001	\$ 457.44
2001-2002	\$ 304.10
2002-2003	<u>\$ 257.95</u>
	\$1,744.17 / 5 = \$348.83

$$((\$348.83 - \$368.16) / \$368.16) \times 100 = -5.25\%$$

One-Half Change Applied to Land Value:  $-5.25\% / 2 = 2.6\%$  Decrease

\*Summary of data provided by taxpayers on Timber Yield Tax returns.

**STATE BOARD OF EQUALIZATION  
CALCULATION OF TIMBERLAND PRODUCTION ZONE VALUES  
FOR LIEN DATE 2004**

	<u>Lien Date 2003 Timberland Value</u>	<u>(2.6%) Decrease</u>	<u>Lien Date 2004 Timberland Value</u>
<u>REDWOOD REGION</u>			
Site I	\$279	\$(-) 7	\$272
Site II	\$227	\$(-) 6	\$221
Site III	\$198	\$(-) 5	\$193
Site IV	\$172	\$(-) 4	\$168
Site V	\$ 54	\$(-) 1	\$ 53
<u>WHITEWOOD SUBZONE OF THE REDWOOD REGION</u>			
Site I	\$198	\$(-) 5	\$193
Site II	\$146	\$(-) 4	\$142
Site III	\$122	\$(-) 3	\$119
Site IV	\$ 91	\$(-) 2	\$ 89
Site V	\$ 48	\$(-) 1	\$ 47
<u>PINE-MIXED CONIFER REGION</u>			
Site I	\$152	\$(-) 4	\$148
Site II	\$107	\$(-) 3	\$104
Site III	\$ 84	\$(-) 2	\$ 82
Site IV	\$ 59	\$(-) 2	\$ 57
Site V	\$ 32	\$(-) 1	\$ 31